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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FIFTH COUNTRY PROGRAMME FOR MALAWI

Programme period	Resources	$
1992-1996	Net IPF	(62 134 000)
	Estimated cost-sharing	31 766 000
	Total	93 900 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Socio-economic situation

1. Malawi is classified among the Least Developed Countries. With an estimated per capita Gross National Product (GNP) of $180 in 1989, the country ranks among the poorest in the world. Economic and social progress has been undermined in recent years by external shocks, including weak export prices, rising external transport costs, and an influx of nearly a million refugees from neighbouring Mozambique. During the 1980s, the economy grew at approximately 3 per cent per annum, which was barely enough to keep pace with the high population growth of 3.3 per cent a year (excluding the refugee population). Hence, the past decade has witnessed stagnating per capita income. This was in sharp contrast with the previous two decades when it increased at an average of about 3 per cent a year.

2. However, since 1988, the economy has shown signs of renewed growth, expanding at nearly 4.5 per cent per annum. Large-scale agricultural and industrial production have been the main sources of growth. The investment ratio has increased substantially while the rate of inflation has fallen considerably. The relatively strong performance of the economy can be attributed to the stabilization programme implemented since the early 1980s. Structural adjustment, on the other hand, has remained elusive. In spite of a decade of vigorously pursued reform programmes, the basic structure of the economy remains largely unchanged. Export concentration on a small range of products continues to be high. The weakest element in the adjustment process has been small-scale agriculture. Smallholder production has failed to increase and has been stagnant since 1984. With more than three quarters of the population deriving their livelihood from small-scale agriculture, this means that the standard of living of the majority of the people has continued to decline despite the improved economic performance of recent years. An agricultural adjustment programme is being implemented to improve the resource utilization in the sub-sector.

3. The medium-term prospects for the economy are relatively good. Despite anticipated weak export prices, the economy is projected to maintain a growth rate of between 4.2 per cent and 4.5 per cent a year until 1995. This optimistic scenario, however, is based on the assumption that small-scale agriculture will provide much of the impetus for economic growth in the years to come.

4. Poverty is widespread in Malawi. More than half of the population lives below the absolute poverty line. Social indicators such as infant mortality, child malnutrition and adult illiteracy remain unacceptably high. Poverty is widespread among the rural population, particularly among small farmers who work for pay because of the smallness of their holdings. Some 56 per cent of all smallholders cultivate less than one hectare of land. Female-headed households are extremely vulnerable to poverty. Estate workers and tenants also constitute a vulnerable poverty group. Urban poverty is much less prevalent, but growing.

5. Malawi ranks among the countries with the lowest Human Development Index (HDI = 0.178 in 1991). The human expenditure ratio is quite low by international standards. Moreover, its human development profile is characterized by a distinct gender gap. Finally, the human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) infection rate in Malawi is becoming one of the highest in the world, affecting an estimated 10 per cent of the adult population nationwide. The widespread impact of the pandemic will exacerbate the poverty situation in the years to come, as it has become a major barrier to economic and social development and must no longer be considered simply as a public health problem.

B. National development objectives and strategies

6. According to the Statement of Development Policies 1987-1996 (DEVPOL), the challenge in the decade ahead will be to "reduce poverty, ignorance and disease". As a result of its experience with earlier structural adjustment programmes, the Government has decided to implement a more focused approach as exemplified in the recently adopted strategy of "growth through poverty reduction". This strategy outlines four approaches to poverty alleviation, comprising the enhancement of smallholder agricultural productivity, increased social sector expenditure, expansion of employment opportunities, and direct income transfers.

7. Small-scale agriculture will have to become a major engine of growth in the future. The main goal is "to increase the yields of maize grown by smallholders so that the sub-sector can more efficiently realize the nation's food requirements" (DEVPOL). Though agriculture will continue to dominate the economy, the growth of enterprises in industry and services is seen as essential for sustainable prosperity. The policy framework paper 1991/1992-1993/1994 states that the "development of small-scale and micro-enterprises remains a core element in the Government's strategy to support economic growth, employment and poverty alleviation". Government involvement will move away from regulation and direct intervention towards "the creation of a general climate which encourages enterprise and investment, both domestic and foreign" (DEVPOL).

8. Although there will remain clear limits to the growth of Government expenditure, the social services sector will "receive an increasingly larger share than has been the case hitherto" (DEVPOL). The overall responsibility for managing the development process will be assumed by the Government. Building capacity at all levels for undertaking poverty-focused development activities will feature prominently among the priorities. DEVPOL notes that "unlike in the past, emphasis will be put more on spreading development in each district". Therefore, a policy of decentralization will be pursued and the role of local authorities and communities will be strengthened.

9. Policy statements in the areas of smallholder agriculture, micro- and small-scale enterprises, social services, and management for development, constitute the national programme framework within which the technical

cooperation programme under the fifth country programme has been articulated. The statement of policy on technical cooperation for human and institutional development, which was issued in 1990 as part of the National Technical Cooperation Assessment and Programme (NATCAP) exercise, provides the overall framework for technical cooperation management.

II. EXTERNAL COOPERATION

A. Role of external cooperation

10. Macro-economic management is pragmatic, effective and transparent. As a result, the economy coped quite well with the adverse external shocks of the 1980s. Moreover, the political and economic stability has earned the country considerable inflows of Official Development Assistance (ODA).

11. In 1990, total ODA amounted to approximately $342 million, representing about a fifth of GDP. About 60 per cent of total ODA consisted of grants. With 23 per cent of total ODA in the form of technical cooperation, capital assistance accounted for about 44 per cent, while the remaining third consisted of balance-of-payments support. The major recipient sectors of ODA comprised transport, agriculture, finance and trade, industry, and education. In terms of technical cooperation, the three main recipients were education, agriculture and health. ODA was equally shared between bilateral and multilateral sources. The main bilateral donors include the United Kingdom, Germany, the United States, and Japan. The major multilateral sources of assistance were the International Development Association (IDA) and the European Economic Community (EEC). UNDP remained the largest multilateral donor of technical cooperation, providing nearly a fifth of the total.

12. Malawi's external financing requirements for the period 1991-1994 are projected at about 759 million in Special Drawing Rights (SDR). This amount comprises the current account deficits, debt repayments and reserve changes. Commitments existing as of 1991 are expected to provide SDR 513 million, leaving SDR 246 million in new commitments to be found. Closing this gap will be of critical importance if the strategy of "growth through poverty reduction" is to succeed.

B. Aid coordination arrangements

13. The Ministry of Finance has overall responsibility for the negotiation, coordination and monitoring of disbursements of external aid, and for debt management. The Department of Economic Planning and Development (EPD) in the Office of the President and Cabinet is responsible for aid planning and monitoring. In order to improve the information system on external aid, the Government - with the assistance of UNDP - established an Aid Coordination Unit within the Department of Economic Planning and Development. In 1991, the Unit published the first series of annual reports on "Statistics on Development Assistance", covering the period 1986-1990. The Department of

Economic Planning and Development in general, and the Aid Coordination Unit in particular, will continue to benefit from UNDP technical cooperation under the fifth programming cycle.

14. International aid for Malawi is coordinated under the Consultative Group mechanism. At the country level, aid coordination between donors is organized on a sectoral basis. UNDP, for instance, is chairing the sectoral coordination groups on education; NGOs; refugees; technical assistance and institutional development. The coordination capacity of the Government is being enhanced through the ongoing NATCAP exercise. UNDP has been publishing an annual Development Cooperation Report (DCR) since the 1970s. As the capacities of the Aid Coordination Unit have considerably expanded in recent years, it is planned to integrate the DCR reporting into the report on statistics on development assistance prepared by the Department of Economic Planning and Development.

III. THE COUNTRY PROGRAMME

A. Assessment of the fourth country programme

15. The overriding goal of the fourth country programme was to assist Malawi to achieve national self-reliance through human resources development and institution-building. To that end, UNDP resources were concentrated on four principal objectives, namely:

(a) Strengthening national capacity to meet priority manpower needs;

(b) Strengthening the Government's capability to plan the economic and social development process;

(c) Exanding and diversifying the output of the agriculture sector;

(d) Accelerating industrial growth and promoting trade and commerce.

16. The country programme included many relevant activities for poverty alleviation which have helped in preparing the groundwork for the overall focus on poverty in the fifth country programme. Projects in the field of basic education, primary health care, low-cost housing, small-scale agricultural and enterprise development contributed directly to this process. Moreover, the country programme proved to be quite flexible vis-à-vis emerging needs, including those related to the structural adjustment process.

17. However, the absence of a clear definition of operational mechanisms for achieving the four core objectives contributed to excessive project proliferation and fragmentation. The proliferation of small projects had management implications for both the Government and UNDP. The increase in the number of projects has led to a corresponding increase in unit project management cost, tying up scarce human resources within the Government. Hence, project proliferation has tended to undermine UNDP's long-term objective of human resources development and capacity-building.

18. The fourth country programme essentially adopted a project approach. Projects had few linkages with one another. Projects addressing the same or similar development issues were not accompanied by adequate coordination mechanisms. This has reduced the potential impact of the fourth country programme. Also, UNDP's assistance was focused on central institutions as opposed to direct support at grass-roots and community levels. Most projects were not designed to enhance the outreach capacity of central institutions.

19. The bulk of UNDP-assisted projects was executed by the United Nations specialized agencies and only a small proportion - approximately 10 per cent - were Government-executed. The potential of other organizations, such as non-governmental organizations (NGOs), for national execution has not yet been fully explored.

B. New proposals for UNDP cooperation

1. Preparatory process

20. During the 1990 Consultative Group Meeting, the Government presented the development approach of "growth through poverty reduction". This approach has been adopted in the recent policy-framework papers. The 1991 Government/United Nations Children's Fund (UNICEF) situation analysis focuses on poverty as well. Hence, the policy environment in Malawi is conducive to introducing a special focus on improving the conditions of the poor. The fifth country programme, therefore, has adopted as the central theme "Human development: from poverty to self-reliance". The programme approach has been introduced for the formulation of the country programme, using this strategy as the overall policy framework.

21. The fifth programming exercise started with the establishment of the Joint Government/UNDP Country Programme Development Committee, which was composed of the Principal Secretaries of most ministries and UNDP. The Committee considered and accepted the UNDP advisory note. Thereafter, the Joint Committee set up four programming teams to formulate the core programmes to be supported during the fifth cycle. The composition of the teams was interministerial; it was chaired by the Principal Secretary of the lead ministry for the respective programme, and was composed of representatives of the major ministries involved in the sector. Through intense discussions and debate, the teams - assisted by one programme adviser each and six cross-programme strategy specialists - developed the four programme frameworks within which the priority programme components were identified. These components were further developed by the Government/United Nations agency programming missions into Component Formulation Frameworks (CFFs). It is envisaged that 23 components will be supported under the fifth cycle.

22. Parallel to the programming exercise, the country was undertaking the second phase of the NATCAP exercise, preparing the Technical Cooperation Programme (TCP). The two processes were mutually reinforcing. The preparation of the TCP helped to identify the programme components and the priority areas for technical cooperation therein, whereas the programming

teams provided a truly multi-sectoral dimension to the identification of future technical cooperation needs. The appropriate linkage between the two undertakings was ensured through the involvement of the persons participating in the TCP preparations in the four programming teams.

2. Strategy for UNDP cooperation

23. UNDP technical cooperation will focus on human development and poverty alleviation, particularly at the local level. This focus is in line with the Government's concern for spreading development across districts and bringing it closer to the people. Since UNDP is among the first donors to undertake a programming exercise since the adoption of the "growth through poverty reduction" strategy, the Government will consider the fifth country programme as a pilot case to test anti-poverty approaches and an area-based strategy applied in the six local impact areas. A comprehensive baseline survey will be carried out in the six districts during the initial phase of the fifth country programme in order to establish benchmarks for success criteria and essential conditions for replicability.

24. The priorities indicated by the Governing Council on human development and the thematic objective of poverty eradication and grass-roots participation in development provide UNDP's particular comparative advantage in focusing on poverty alleviation. UNDP will address poverty alleviation foremost through the support of operational activities at the local level. It will, however, also provide technical cooperation in the areas of training, policy formulation, planning, aid coordination, and resource mobilization.

25. A special feature of the fifth country programme is its focus on local level participation. As the causes of poverty are multi-dimensional and intertwined, a multi-sectoral anti-poverty programme is warranted. However, to avoid spreading the resources too thinly, the geographical coverage of the activities supported under the fifth country programme needed to be clearly defined. It was in this light that six local impact areas have been selected for an intensive and integrated implementation of the four programmes. The six districts have been chosen on the basis of their low HDI, using the available poverty indicators.

26. Another characteristic of this country programme is the integration of seven cross-programme strategies into the country programme components. They include: women in development, population, environment, the HIV/AIDS pandemic, appropriate technology, employment, and popular participation. The cross-programme strategies are well in line with the six areas of focus identified in Governing Council decision 90/34. In order to facilitate and continuously reinforce the integration of these strategies, a "home base" for each will be established in the most appropriate component of the country programme from which other components will draw technical and advisory services. The country programme will also make active use of United Nations Volunteer specialists through DDS and NGOs, particularly in the operational activities in the local impact areas.

27. The fifth country programme reflects funding requirements for national programmes of $110.5 million designed according to the full range of needs to be addressed. In order to realize the objectives fully, it will, therefore, be necessary to secure adequate resources beyond the $62.134 million which UNDP will provide directly through the IPF resources. The United Nations Capital Development Fund (UNCDF) is expected to complement the IPF with 15 million; complementary assistance of $1 million and $0.6 million respectively from MDP and the United Nations Fund for the Development of Women (UNIFEM) is also expected. UNDP will actively seek third party cost-sharing to close the financing gap of approximately $31.766 million.

3. Proposed UNDP cooperation in selected areas of concentration

28. The salient features of poverty in Malawi include household food insecurity and low productivity among smallholders; a weak enterprise sector; limited access to essential social services, and a severe shortage of management capacities for planning and implementing key development interventions at various levels. Therefore, the principal objectives of the fifth country programme are to increase agricultural productivity among small farmers (programme I), promote employment and income opportunities in the informal sector (programme II), improve the access of the poor to social services (programme III), and enhance the capacity of local authorities and communities in managing and planning the development process (programme IV). The four core programmes and their priority components are briefly highlighted below.

Programme I: Smallholder agricultural productivity

29. The national objectives in the small-scale agriculture sector have been spelled out in DEVPOL and the policy statement on food security and nutrition. Household food security will be enhanced through improvements in the policy environment, increased application of on-farm research, expanded coverage of extension services, increased access to farm inputs and labour-saving technology, better environmental monitoring and management, and a more sustainable utilization of forestry and fisheries resources. The food security and nutrition policy statement pays special attention to resource-poor farmers, particularly women. Therefore, the target group to be addressed under this programme is composed of farmers with a holding of less than one hectare who have little or no access to farm inputs and extension services. The resources earmarked for the programme amount to approximately $21.7 million, including $7.7 million from third-party cost-sharing. In addition, complementary assistance of $2 million from UNCDF and $0.3 million from UNIFEM is also expected. Within programme I, six priority components have been identified for support, namely:

1. Policy and coordination. The objective is to make the policy environment more conducive to inducing resource-poor and female-headed farming households to enhance their participation in economic growth. In addition, the component will help establish a national environmental strategy and the

implementation of the Action Plan. The component will be coordinated with the support provided by EEC, the United States Agency for International Development (USAID) and the World Bank. It will also include the coordination and support unit for programme I.

2. Agricultural research. The objective is to improve on-farm application of agricultural research in the local impact areas. The farming system approach endorsed by the agricultural research master plan will be supported. Coordination with the 10-year agricultural research programme supported by the World Bank and USAID will be ensured.

3. Extension and land utilization. The objective is to increase the effectiveness and coverage of extension services catering mainly for women in the local impact areas. Community participation will play a critical role in reaching the poor. The component will be developed within the five-year agricultural extension strategy. It will promote the application of improved land use practices.

4. Farm inputs and marketing. The objective is to increase the access to, and the availability of, appropriate farm inputs and alternative marketing facilities in the local impact areas. In order to break the poverty cycle, food-for-work (utilizing World Food Programme (WFP) resources) will be provided for on-farm activities to enable smallholders to devote sufficient labour on their own holding and not be forced to seek low-paid wage employment elsewhere (ganyu labour). Resources from UNCDF will be sought to complement the IPF.

5. Natural resources and environmental management. The objective is to improve the management of natural resources to enhance the sustainability of smallholder productivity gains as well as fuelwood security. In particular, forestry and wildlife management by local communities will be promoted.

6. Capture fisheries. The objective is the conservation of fish resources through the implementation of the Chambo Fisheries Management Plan. The goal is to safeguard the protein supply to the poor as fish constitutes a major source of protein in their diet. Also, alternative income-earning opportunities will be promoted for those displaced from fisheries.

30. The expected result and impact of this programme is a higher level of food production and improved food security at the household level in the selected local impact areas. Success indicators will comprise the formulation of a national environmental strategy and action plan; increased access of the female farming population to extension services and farm inputs; and the implementation of the fisheries conservation programme on Lake Malawi.

Programme II: Small enterprise development

31. The principal objective of this programme is to create alternative non-farm income opportunities to reduce poverty. DEVPOL affirms that "the next decade will see a particular emphasis on support for small-scale

enterprise, formal and informal". Since the early 1980s, the Government of Malawi has created several support institutions directed at small and medium enterprises. In line with the central theme of the fifth country programme of poverty alleviation, the UNDP-supported programme will concentrate on existing and would-be informal sector entrepreneurs who are currently not covered by any major programme. The programme will help improve the policy environment for micro- and small entrepreneurs; strengthen and develop their business, managerial and technical skills; and enhance their access to credit, appropriate technology, and markets. The resources earmarked for the programme amount to approximately $15.7 million, including $2.466 million from third-party cost-sharing. In addition, UNCDF and UNIFEM are expected to complement the IPF by $3 million and $0.3 million respectively. Within programme II, five priority components have been identified for support, namely:

(a) Policy, promotion and coordination. The objective is to establish an enabling policy environment for micro- and small entrepreneurs. The component will establish a focal point within the Ministry of Trade and Industry for micro- and small enterprise development, help formulate a statement of policy for the sub-sector, create a one-stop service in the local impact areas, and enhance the involvement of NGOs. The component will also include the coordination and support unit for programme II.

(b) Entrepreneurship development and training. The objective is to strengthen the capacity of the support institutions that provide training and advisory services to micro- and small entrepreneurs in the local impact areas. It will also promote innovative schemes for informal sector apprenticeship training. It will liaise closely with the proposed technical assistance and training fund under the IDA-supported financial sector and enterprise development project.

(c) Credit. The objective is to improve the access of the target beneficiaries to credit through the establishment of an appropriate credit delivery mechanism and a revolving fund. An appropriate financial intermediary, possibly the commercial banks, will be identified. The component will emphasize the formation of credit groups. Resources from UNCDF will be sought to complement the IPF.

(d) Appropriate technology. The objective is to establish a focal point within the Industrial Research and Technology Development Centre to improve the access of micro- and small entrepreneurs to appropriate and low-cost technology. The component will pay special attention to strengthening the capacity of NGOs and other institutions involved in the dissemination of tested appropriate technology.

(e) Marketing. The objective is to increase market outlets for the goods and services produced by micro- and small enterprises, improve market information and transport facilities, and strengthen the capacity of marketing groups of micro- and small entrepreneurs.

32. The expected result and impact of this programme will be an increased number of non-farm income and employment opportunities in the selected local impact areas. Success indicators will include the adoption of a policy statement on micro- and small enterprise development; the increased involvement of the commercial banks in the provision of credit to entrepreneurs; and the operationalization of a government preferential purchasing programme and a bulk purchasing scheme.

Programme III: Social development

33. The programme objective is to strengthen the capacity to provide social services to the poorest segments of the population in the local impact areas, where emphasis will be placed on the development of alternative delivery systems through increased community involvement. The programme will seek to improve the access of the poor to basic education; increase the human resources to expand the coverage of primary health care including emphasis on maternal and child health (MCH), nutrition, child spacing and HIV/AIDS prevention; increase the access of the rural poor to safe water and sanitation services; expand the rural housing programme; and improve low-cost transport systems. The resources earmarked for the programme amount to approximately $27.2 million, including $16.6 million from third party cost-sharing. Complementary assistance of $10 million from UNCDF will also be sought. Within programme III, seven priority components have been identified for support, namely:

(a) Coordination. This component will establish the coordination and support unit for Programme III;

(b) Education. The component will concentrate on strengthening the capacities of the education sector, both formal and non-formal, through the decentralization of planning and managerial functions to the regions and districts;

(c) Health. Enhanced access of the poor to basic health services, including child spacing and HIV/AIDS prevention, will be achieved through increased training of health workers and community participation;

(d) Housing. The objective is to expand the rural housing programme by increasing the loan fund, improving the loan administration, and promoting low-cost housing technologies in the local impact areas;

(e) Rural transport. Simple transport services in the local impact areas will facilitate the poor's access to markets and social services. This will involve the planning of low-cost means of transport, maintenance of feeder networks, and the mobilization of local communities;

(f) Water and sanitation. The objective is to increase the supply of safe water and sanitation services in the local impact areas. Boreholes will be rehabilitated. Community participation in water supply management and hygiene will be encouraged;

(g) Integrated refugee/Malawi population area development. In areas where the refugee population is mixed with the local population, this component will be integrated with activities planned under Programme III to benefit the Malawian as well as the refugee population. Additional resources over and above the UNDP and Office of the United Nations High Commissioner for Refugees (UNHCR) resources will be sought from the donor community to fund this component with a tentative budget of $10.5 million. The activities envisaged under the education, health, rural transport, and water and sanitation components will be implemented in local impact areas where the two groups of people are living side by side. Linkages with activities under programmes I, II and IV will also be established.

34. The expected result and impact of this programme is an improvement in access for the poor in the local impact areas to basic social services. Success indicators will include increased participation rates in formal and non-formal education among especially disadvantaged groups; an increase in the quantity and quality of trained personnel providing health services at community level; the disbursement of approximately 800 housing loans per year to poor people in the local impact areas.

Programme IV. Management for development

35. The key goal in the field of management for development is to create efficient and effective management capacities for economic and social advancement. The formation of a competent and motivated leadership to steer and implement development activities at central and local levels will be of critical importance in the implementation of anti-poverty programmes. The objectives of the programme are to increase the human resource capacity to manage development at national and district/local levels, to improve the output and sustainability of selected training institutions; and to support the process of decentralization. This programme is complementary to the other three programmes in that it incorporates their training and management development needs. The resources earmarked for the programme amount to approximately $22 million, including $16.6 million from third party cost-sharing. The Management Development Programme (MDP) is expected to complement the above resources by $1 million. Within programme IV, five priority components have been identified for support, namely:

(a) Coordination. The component will provide the coordination and support unit of Programme IV;

(b) Management training. The process of decentralization, area-based development and increased national execution will make additional demands on the already scarce human resources in the local impact areas. Given the limited funding, it will be important to identify priority areas for management training. The target group, mostly at local level, will include professionals and administrators, technicians and accountants, district and community leaders and the staff of NGOs in "train-the-trainer" programmes in the selected local impact areas;

(c) Institution-building. The first objective is to increase the capacity of key training institutions and planning/financial management entities to increase self-sufficiency, thereby alleviating the present human resource shortages at all levels. This component will serve as a coordinating umbrella for training and capacity-building of these institutions. The component will also support the local government development project funded by the World Bank. The second objective is to review the policy and institutional framework for technical cooperation in the country;

(d) Decentralization policy and process. The objective of this component is to review the Government's policy on decentralization and to enhance the outreach capability of central administrations into the rural areas. A streamlined structure for delivering services effectively will be established at the local level, involving the participation of the communities to the fullest possible extent;

(e) District focus for development. The objective is to strengthen the capacity at district level to manage and plan the development process. The management capacity of the staff of the existing structure of development administration will be improved. Appropriate management systems will be formulated to enable them to function as an integrated development team in the local impact areas. The component will also establish a district development fund and coordinate the integration of World Food Programme (WFP) food resources into the activities of the country programme in the local impact areas.

36. The expected result and impact of this programme will be the improved capacity of trained personnel at all levels to manage and implement anti-poverty programmes in the local impact areas. The success indicators will include the adoption of a policy statement on decentralization; increased management training for civil servants posted in the local impact areas; and improved systems and capacities to manage development at the local level.

4. Complementary assistance

37. Particular attention has been paid to mutually reinforcing activities among donors during the preparation process of the fifth country programme. Extensive donor consultations, both within the United Nations system and with other donors, have taken place during the formulation phase of the fifth country programme. NGOs have also been consulted and will be involved extensively during the implementation of the programme.

38. UNDP wishes to enhance the complementarity between the IPF and the UNDP-administered funds, especially the United Nations Capital Development Fund (UNCDF), MDP, and the United Nations Development Fund for Women (UNIFEM) funded programmes and the activities supported by the organizations participating in the Joint Consultative Group on Policy (JCGP). A United Nations system collaborative programming exercise on poverty alleviation is ongoing, involving the five JCGP members and the other United Nations agencies

represented in the country (the World Bank, Food and Agriculture Organization of the United Nations (FAO), UNHCR and the World Health Organization (WHO)). The purpose of the exercise is to present a United Nations-system anti-poverty programme for Malawi and to identify concrete areas of collaboration.

39. The adoption of the common goal of poverty reduction, and the synchronized programming cycle of UNDP with the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF) is facilitating coordination and effective linkages. Examples of this coordination include the development of an integrated component for the refugee and local population developed with UNHCR; the collaboration with WFP regarding the monetization of food to support the district Development Fund; and the incorporation of population concerns throughout the country programme in close collaboration with UNFPA. The latter is reflected in the UNFPA country programme document that is being separately presented to the Governing Council.

40. The country programme will forge strong linkages with the intercountry programme for Africa. Its areas of concentration of human development and capacity-building augur well for the ones proposed for Malawi. In addition, the following regional activities will also provide opportunities for strengthening the proposed country programme: national long-term perspective studies, the African Capacity-Building Foundation, and the social dimensions of adjustment projects.

5. Implementation modalities

41. In line with the recommendations of the General Assembly and the Governing Council calling for greater government responsibilities in the execution of technical cooperation activities, the fifth country programme will accelerate the process of national execution.

42. The implementation of the seven cross-programme strategies will be operationalized through the identification of relevant programme components which will serve as "home bases" providing technical advisory services to the other components. Also, provision has been made to involve NGOs in the practical implementation of the cross-programme strategies.

C. Assistance outside main country programme areas

43. Activities that do not fit well within the programme theme of poverty alleviation, but that will continue to be supported under the fifth cycle because of previous commitments, are limited in number. They are estimated to absorb approximately $1.1 million, leaving an unprogrammed reserve of $5.9 million.

D. Management arrangements

44. For each of the four core programmes, common management mechanisms have been defined. They comprise a programme steering committee which will oversee the progress and orientation of each programme, ensuring the support and commitment of the various ministerial departments, statutory bodies and NGOs involved in the programme. The committee will meet once a year. Each programme will have a programme coordination and support unit headed by a full-time national programme coordinator and assisted by a United Nations programme adviser. The unit will be based in the lead ministry of each programme. It will ensure that common activities like data collection, procurement, training, administration and financial accounting, monitoring and evaluation are undertaken on a fifth country programme-wide basis so as to avoid duplication among components.

45. The units will maintain close working relations with their respective programme steering committees and the district teams in the six local impact areas. NESU will provide backstopping services to the four programme coordination and support units.

46. UNDP will provide the necessary institutional support to the programme coordination and support units, which are envisaged as the principal mechanism for the Government effectively to assume national execution responsibilities. The Government will create the posts of four national programme coordinators. For each programme component, a focal point will be established in the relevant ministry/institution. A national component manager will be identified who will be assisted by United Nations technical advisers/experts as needed. He/she will be concerned with the substantive management, monitoring and evaluation aspects of the component.

47. The implementation of the programmes and their components in the local impact areas will be the responsibility of the district teams. These teams will be composed of the district staff assigned to the programmes. United Nations Volunteer specialists, NGO personnel and the existing local administration will assist in the implementation of the programmes. A full-time district development officer will head the district team.

48. Monitoring and evaluation of the fifth country programme will rely on the work undertaken by the coordination and support units. The mid-term review will provide the opportunity for assessing the strengths and weaknesses of the programme approach and execution arrangements.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Thousands of dollars)	
Carry-over from fourth cycle IPF	-	
Fifth cycle IPF	62 134	
Subtotal IPF		62 134
Project cost-sharing (Government)	-	
Project cost-sharing (Third Party)	31 766	
Programme cost-sharing	-	
Subtotal cost-sharing		31 766
TOTAL		93 900

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Programme I	14.0	7.7	21.7	23.1
Programme II	13.5	2.5	16.0	17.0
Programme III	10.6	16.6	27.2	29.0
Programme IV	17.0	5.0	22.0	23.4
Assistance outside main country programme areas	1.1	-	1.1	1.2
Subtotal	56.2	31.8	88.0	93.7
Unprogrammed reserve	5.9		5.9	6.3
TOTAL	62.1	31.8	93.9	100

/...

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds a/		
UNCDF	150	
UNSO	10	
UNIFEM	6	
Subtotal		166
B. Other United Nations resources		
JCGP participating agencies		
UNFPA	65	
UNICEF	345	
WFP	200	
IFAD	200	
Other United Nations agencies (non-UNDP financed)		
Global Environment Facility	30	
Subtotal		840
Total non-core and other United Nations resources		1 006
C. Non-United Nations resources		-
TOTAL		1 006

a/ Envisaged earmarkings.

Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
1. SMALLHOLDER AGRICULTURAL PRODUCTIVITY						
Policy and coordination	*	*	*	*	*	
Agricultural research	*				*	
Extension and land utilization	*	*			*	
Farm inputs and marketing	*				*	
Natural resources and environmental management	*	*			*	
Capture fisheries	*	*			*	
2. SMALL ENTERPRISE DEVELOPMENT						
Policy, promotion and coordination	*	*	*	*	*	
Entrepreneurship development and training	*				*	
Credit	*			*	*	
Appropriate technology	*	*		*	*	
Marketing	*				*	
3. SOCIAL DEVELOPMENT						
Coordination	*		*			
Education	*			*	*	
Health	*			*	*	
HIV/AIDS	*					
Housing	*			*	*	
Rural transport	*			*	*	
Integrated refugee/Malawi population area development	*	*				
4. MANAGEMENT FOR DEVELOPMENT						
Coordination	*		*		*	
Management training	*		*		*	
Institution building	*		*			
Decentralization policy and process	*		*	*	*	
District focus for development	*		*	*	*	

a/ Asterisks indicate major linkages only.